

**Central Liquidity Facility
Credit Union System Investment Program
Term Sheet
December 9, 2008**

This term sheet documents only conditions for participating in the Credit Union System Investment Program (CU SIP). The CU SIP does not supplant any laws, regulations, or safety and soundness regulatory guidance.

Central Liquidity Facility (CLF)

The CLF is a mixed-ownership government corporation under Title III of the Federal Credit Union Act. CLF serves to improve general financial stability by meeting the liquidity needs of credit unions and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. 12 U.S.C. 1795.

Credit Union System Investment Program

The CLF will make advances under CU SIP in amounts as announced periodically. CU SIP advances will have a maximum term of one year, will be fully secured by collateral of the borrowing credit union, and will be invested in fixed-rate, matched-term, guaranteed senior debt of any participating corporate credit union.

Eligible Collateral

Eligible collateral will include assets held by creditworthy credit unions.

Eligible Credit Unions

All creditworthy credit unions that are regular members of the CLF, or are covered for CLF membership by the agent group of corporate credit unions, may participate in CU SIP. Eligible credit unions must have a net worth ratio of at least six percent, after dilution by the requested advance amount (i.e., the net worth ratio is recalculated taking into account the prospective change in the balance sheet from the advance).

Transaction Structure

A credit union receiving a CU SIP advance must invest the proceeds in CU SIP Notes, which are National Credit Union Share Insurance Fund (NCUSIF) guaranteed senior debt of a corporate credit union. Credit extensions under CU SIP will be in the form of recourse CLF advances secured by eligible collateral. Substitution of collateral during the term of the advance will be allowed at the discretion of the CLF. CU SIP advances will have a maximum one-year term, maturing not later than December 31, 2010. CU

SIP advances will have interest payable semi-annually and will not be subject to re-margining requirements.

Haircuts

Collateral haircuts will be established by the agent corporate credit union for each class of eligible collateral. The minimum collateral will have a net book value equal to at least 200 percent of the advance amount. The credit union will pledge 100 percent of the CU SIP Note and 100 percent in other assets to meet the 200 percent collateral requirement.

Allocation

The agent group representative (AGR), U.S. Central Federal Credit Union, at the direction of the Director of the Office of Corporate Credit Unions and the President of the CLF, will offer a fixed amount of advances under CU SIP on a monthly basis at the CLF advance rate. CU SIP advances will be awarded to borrowers each month based on a pro rata subscription basis. Each subscription must include a desired advance amount and a commitment to invest in a CU SIP Note of any participating corporate credit union(s), as allocated by the AGR. The CLF will announce participating corporate credit unions for each auction.

The CLF will reserve the right to reject or declare ineligible any subscription, in whole or in part, in its discretion. In this regard, the CLF will use existing procedures in determining creditworthiness.

The AGR and the agent corporate credit unions may not assess a fee for CU SIP advances.

Initially, corporate credit unions desiring to participate must provide the AGR with notice and requested amounts by 2:00 pm CST on Friday, December 19, 2008. CLF will announce a minimum offering amount on that Friday after 2:00 pm CST. The minimum offering amount may be expanded. Credit unions must provide their agent corporate credit union with a subscription by 2:00 pm CST on Friday, December 26, 2008. Awards will be announced on Monday, January 5, 2009. Funding and required investment transactions will occur simultaneously on January 9, 2009.

Thereafter, corporate credit unions desiring to participate must provide the AGR with notice and requested amounts by 2:00 pm CST on the second to last Friday in the month prior to funding. Credit unions must provide their agent corporate credit union with a subscription by 2:00 pm CST on the last Friday in the month prior to funding. Awards will be announced on the first Friday of the funding month. Funding and

required investment transactions will occur simultaneously on the second Friday after the award announcement date.

Pricing

The CLF advance rate equals the greater of: (a) the Primary Credit Rate at a Federal Reserve Bank discount window; and (b) the rate on a comparable maturity Treasury security plus 1/8th percent.

A credit union receiving a CU SIP advance must invest the proceeds in CU SIP Notes, which are NCUSIF guaranteed senior debt of a corporate credit union. The CU SIP Note rate is a fixed rate equal to the CLF advance rate plus 0.25 percent. The CU SIP Note is limited to a term of one year, to mature by December 31, 2010.

Roles of Corporate Credit Unions

Each borrower must use a corporate credit union, which will act as agent for the borrower, to access the CU SIP and must provide the agent or the AGR with a perfected first priority security interest in eligible collateral.

Role of the National Credit Union Share Insurance Fund

The NCUSIF will provide a guarantee of senior debt issued by participating corporate credit unions under the Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP). The NCUSIF guarantees senior debt of corporate credit unions issued by June 30, 2009, to mature on or before June 30, 2012.

Role of the CLF

The CLF will provide oversight to the AGR in administering the program and will fund advances by borrowing from the Federal Financing Bank (FFB). The FFB is under the supervision of the Secretary of the Treasury. The CU SIP advances will be made in the national economic interest pursuant to determinations of the NCUA Board, with the concurrence of the Board of Governors of the Federal Reserve System and the Secretary of the Treasury.

Termination Dates

The CLF will cease making new CU SIP advances on June 30, 2009, unless the NCUA Board extends the TCCULGP through December 31, 2009.